

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-03551A
Virgin Mountain Utilities Company
PO Box 668
Beaver Dam, AZ 85432

RECEIVED

APR 7 8 2008

TO: CORP COMMISSION
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

4-21-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>VIRGIN MOUNTAIN UTILITIES CO.</u>			
Mailing Address <u>P. O. Box 668</u>			
(Street)			
<u>LITTLEFIELD</u>	<u>AZ</u>	<u>86432</u>	
(City)	(State)	(Zip)	
<u>928-347-5515</u>	<u>928-347-0117</u>	<u>435-229-2334</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>STODDARD @ CASCADE ACCESS.COM</u>			
Local Office Mailing Address <u>SAME AS ABOVE</u>			
(Street)			
(City)			
(State)			
(Zip)			
Local Office Telephone No. (Include Area Code)			
Fax No. (Include Area Code)			
Cell No. (Include Area Code)			
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>TOM STODDARD</u>			
(Name)			
<u>MANAGER</u>			
(Title)			
<u>39 VIRGIN MOUNTAIN DR.</u>	<u>LITTLEFIELD</u>	<u>AZ</u>	<u>86432</u>
(Street)	(City)	(State)	(Zip)
<u>928-347-5515</u>	<u>928-347-0117</u>	<u>435-229-2334</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>STODDARD @ CASCADE ACCESS.COM</u>			
On Site Manager: <u>SAME AS ABOVE</u>			
(Name)			
(Street)			
(City)			
(State)			
(Zip)			
Telephone No. (Include Area Code)			
Fax No. (Include Area Code)			
Cell No. (Include Area Code)			
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: RICHARD L. SALLQUIST

(Name)

2525 E. ARIZONA BLVD BLDG 117 PHOENIX, AZ 85014

(Street)

(City)

(State)

(Zip)

602-224-9222

Telephone No. (Include Area Code)

602-224-9366

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☒ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

VIRGIN MOUNTAIN UTILITIES CO.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	10,000	10,000	-0-
302	Franchises			
303	Land and Land Rights	25,000	-0-	25,000
304	Structures and Improvements			
307	Wells and Springs	25,000	4,665	20,335
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	15,000	1,099	13,901
331	Transmission and Distribution Mains	368,500	5,297	363,203
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	20,000	7,724	12,276
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	463,500	28,785	434,715

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

VIRGIN MOUNTAIN UTILITIES CO.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	10,000	10%	1000
302	Franchises			
303	Land and Land Rights	25,000	-0-	-0-
304	Structures and Improvements			
307	Wells and Springs	25,000	3.33%	833
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	15,000	2.22%	333
331	Transmission and Distribution Mains	368,500	2%	5247
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	20,000	6.67%	1334
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	463,500		8,797

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME VIRGIN MOUNTAIN UTILITIES CO.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1,300	\$ 3,055
134	Working Funds		
135	Temporary Cash Investments		10,549
141	Customer Accounts Receivable		1,356
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		400
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 1,300	\$ 15,360
	FIXED ASSETS		
101	Utility Plant in Service	\$ 70,000	\$ 438,500
103	Property Held for Future Use	25,000	25,000
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	19,987	28,785
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 75,012	\$ 434,715
	TOTAL ASSETS	\$ 76,312	\$ 450,075

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME *URGENT MOUNTAIN UTILITIES CO.*

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ - 0 -	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	888	1877
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 888	\$ 1877
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 95,000	\$ - 0 -
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 95,888	\$ - 0 -
	TOTAL LIABILITIES	\$ 95,888	\$ 1877
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	3,549	477,049
215	Retained Earnings	123,125	128,851
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 126,674	\$ 448,198
	TOTAL LIABILITIES AND CAPITAL	\$ 222,562	\$ 450,075

COMPANY NAME

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 4,115	\$ 10,063
460	Unmetered Water Revenue		3,809
474	Other Water Revenues		56,710
	TOTAL REVENUES	\$ 4,115	\$ 70,582
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$ 4,600
610	Purchased Water		
615	Purchased Power	1,074	1,942
618	Chemicals		
620	Repairs and Maintenance		28,393
621	Office Supplies and Expense		2,012
630	Outside Services		19,475
635	Water Testing	1,124	1,943
641	Rents		
650	Transportation Expenses		749
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	533	6,777
403	Depreciation Expense	4,500	8,797
408	Taxes Other Than Income	240	1,841
408.11	Property Taxes	588	640
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 8,059	\$ 77,170
	OPERATING INCOME/(LOSS)	\$ (3,944)	\$ (6,588)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$ 861
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$ 861
	NET INCOME/(LOSS)	\$ (3,944)	\$ 5,726

COMPANY NAME VIRGIN MOUNTAIN UTILITIES CO.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ -6-

Meter Deposits Refunded During the Test Year \$ -6-

COMPANY NAME	VIRGIN MOUNTAIN UTILITIES Co.	
Name of System:	ADEQ Public Water System Number:	

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-52309	7.5	70	300'	8"	2"	1994

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
25,000	2	10/33 GAL DRAW DOWN	6

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	VIRGIN MOUNTAIN UTILITIES CO.	
Name of System:		ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	C-900 CLASS 150	15,340
8		
10	C-900 CLASS 150	6,920
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	58
3/4	
1	/
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

NONE

STRUCTURES:

14x20 PUMP BUILDING

OTHER:

8" STANDPIPE
6± ACRES OF LAND

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: VIRGIN MOUNTAIN UTILITIES CO

Name of System:

ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1	8	8	
FEBRUARY	1	7	7	
MARCH	1	10	10	
APRIL	1	8	8	
MAY	52	96	96	
JUNE	54	102	102	
JULY	58	113	113	
AUGUST	58	111	111	
SEPTEMBER	59	90	90	
OCTOBER	59	74	74	
NOVEMBER	59	56	56	
DECEMBER	59	31	31	
TOTALS →		706	706	

What is the level of arsenic for each well on your system? 0.8 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
() Yes (X) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME VIRGIN MOUNTAIN UTILITIES Co. YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 640

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. PAID 2006 PROPERTY TAXES IN 2007
AND ACCRUED PROPERTY TAXES FOR 2007, PAID IN 2008

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

APR 18 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>MOHAVE</u>
NAME (OWNER OR OFFICIAL) TITLE <u>TOM STODDARD</u>
COMPANY NAME <u>VIRGIN MOUNTAIN UTILITIES, CO.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

928-347-5515

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

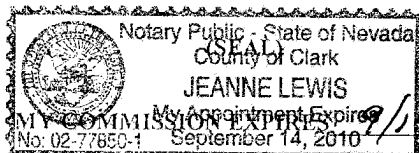
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

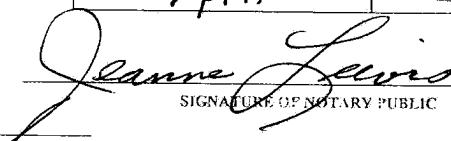
THIS

14th

DAY OF

COUNTY NAME <u>CLARK</u>	
MONTH <u>April</u>	20 <u>08</u>




SIGNATURE OF NOTARY PUBLIC

COMPANY NAME VIRGIN MOUNTAIN UTILITIES CO. YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Shane G. Stoddard
SIGNATURE

4/14/2008
DATE

TOM STODDARD
PRINTED NAME

MANAGER
TITLE

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

APR 18 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>MOHAVE</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>TOM STODDARD</u>
COMPANY NAME	<u>VIRGIN MOUNTAIN UTILITIES CO</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 69,282

(THE AMOUNT IN BOX ABOVE
INCLUDES \$
IN SALES TAXES BILLED, OR COLLECTED)

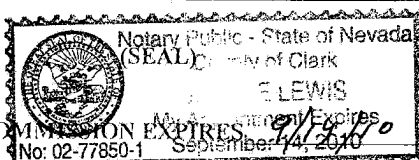
**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF

COUNTY NAME	<u>CLARK</u>	
MONTH	<u>April</u>	<u>.20 08</u>



Jeanne Lewis
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 9/14/10

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED

APR 18 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <i>MOHAVE</i>	
NAME (OWNER OR OFFICIAL) <i>TOM STODDARD</i>	TITLE <i>MANAGER</i>
COMPANY NAME <i>VIRGEN MOUNTAIN UTILITIES CO.</i>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<i>12</i>	<i>31</i>	<i>2007</i>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ *69,282*

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ *-0-*
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Thomas G. Stoddard
SIGNATURE OF OWNER OR OFFICIAL

928-347-5515
TELEPHONE NUMBER

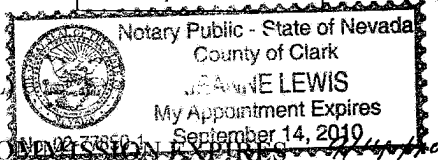
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS *14th* DAY OF

(SEAL)

MY COMMISSION EXPIRES *September 14, 2010*



NOTARY PUBLIC NAME <i>Jeanne Lewis</i>	
COUNTY NAME <i>CLARK</i>	
MONTH <i>1</i>	20 <i>08</i>

X *Jeanne Lewis*
SIGNATURE OF NOTARY PUBLIC